

# FIRST SB 17 DRUG COST INCREASE REPORT REVEALS A 25% MEDIAN INCREASE FOR ALL REPORTED DRUGS



PHARMA CONTINUES ITS  
PRICE HIKES ON MEDICATIONS.  
**OVER TWO-THIRDS**  
OF DRUG MANUFACTURERS  
PROVIDED NO EXPLANATION  
FOR THESE INCREASES.

**California Senate Bill 17** — the state’s landmark drug price transparency bill — was introduced in an effort to provide transparency into pharma’s skyrocketing drug pricing tactics and hold pharmaceutical manufacturers to similar reporting standards as others in the health care industry. The price information recently released by the California’s Office of Statewide Health Planning and Development (OSHPD) and provided by drug companies under SB 17 is the first of its kind as drug pricing information has never been public before now.

**Information shared, however, shows a clear lack of explanations for why drug prices keep skyrocketing.**

“*Drug manufacturers, for the most part, cannot justify their egregious cost increases that drive up the cost of health care for all. The work to hold pharmaceutical manufacturers accountable must continue.*”

~ SB 17 Author and Former Senator Ed Hernandez

**The data released under SB 17 is significant, as this is the first time consumers have access to information on drug cost increases.**

## ACCORDING TO OSHPD'S REPORT, DRUG PRICING CONTINUES TO SKYROCKET



The report shows that many different manufacturers, including Egalet, Endo Pharmaceuticals, Akorn, Sun Pharmaceuticals, and Laboratoire HRA Pharma reported large price increases of over 100%, but the section for cost increase factors was simply left blank.

- **Zorvolex**, a pain reliever to treat migraines manufactured by Egalet US, Inc., increased by 70%, jumping from \$383 to \$650 in just three years.
- **Cancer treatment drug, Lysodren Mitotane**, went from \$480 in 2017 to \$839, an increase of 75%
- **Tetracaine**, a pain reliever manufactured by Akorn Inc. increased by 110%, going from \$904 to \$1899.
- **High blood pressure medication Guanfacine**, manufactured by Amneal Pharmaceuticals, increased by over 200%, going from \$28.60 to \$87 — with reasons for the increase pointing to “manufacturing costs and market conditions.”

## WHY ARE DRUG MANUFACTURERS PRICING DRUGS SO HIGH



Under SB 17, pharmaceutical manufacturers were asked to identify the reasons for their price increases.

While some companies complied with the regulation in limited amounts, over two-thirds simply declined to explain why they increased drug prices.

## HOW DOES SB 17 AND PRICING DATA HELP REDUCE HEALTH CARE COSTS?

The law requires drug manufacturers to give a 60-day advanced notice of increased drug prices to OSHPD. This will be shared with the public quarterly and will give purchasers, plans, and policymakers power to make health care more affordable for consumers by:

- ✓ Allowing time for high drug price negotiations
- ✓ Giving lawmakers tools to design better policies to tackle rising drug costs
- ✓ Create downward pressure on drug prices
- ✓ Accounting for drug spending to plan budgets appropriately

**SB 17 is a step forward, but the work to hold pharmaceutical manufacturers accountable must continue.**